

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised for corrections.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS			LPCF – 3,600	DMVCF – 12,000
FEDERAL FUNDS				
OTHER FUNDS				HCF – 4,264
TOTAL FUNDS			3,600	16,264

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB903 provides for the issuance of Down Syndrome Awareness license plates beginning on January 1, 2022. The plates may be either alphanumeric or personalized message plates.

Applicants for alphanumeric and message plates pay an additional initial and renewal fee of \$40 of which 60% (\$24) is credited to the Department of Motor Vehicles Cash Fund (DMVCF) and the remaining 40% (\$16) to the Highway Trust Fund (HTF).

All applicants for plates also pay the regular per plate fee (current fee is \$3.30), which is capped at \$3.50 by current statute. The bill contains language providing for the plates to be designed to limit the manufacturing cost to equal to or less than the amount charged for the plates.

Revenue:

DMV estimates, which are based on historical trends, provide that 1000 sets of plates will be sold each fiscal year. Because the bill provides that the plates will be available January 1, 2022, the estimated number of plate sets for FY22 is 500 (1/2 of fiscal year). The table below provides estimated revenue amounts based on these 500 estimated plate sets to be issued in FY22.

Down Syndrome Awareness Plates	
Revenue Estimate	FY22
Plates Issued/Renewed	500
HTF Portion	\$8,000
DMVCF Portion	\$12,000

HTF revenue is divided between cities and counties (46.6% Highway Allocation Fund - HAF) and the Department of Transportation (53.3% Highway Cash Fund - HCF). Based on the estimate above, the HAF would see an increase of \$3,728 and the HCF would see an increase of \$4,264*.

The bill allows owners to apply to the country treasurer to transfer specialty plates from one owned vehicle to another. The application fee for the transfer is \$3.00. The fees are placed in the DMVCF. The number of transfers is unknown, thus an estimate is not provided.

Expenditures:

The DMV has indicated there will be costs associated with modifying the Vehicle Titling and Registration and plate management computer systems to accommodate the new Down Syndrome Awareness plates. The department indicates it can handle the estimated 80 hours of programming and testing with existing staff and resources.

Other expenditures include the cost of manufacturing the Down Syndrome Awareness plates. The DMV estimates that each plate will cost \$3.60 to manufacture. This cost is attributable to the License Plate Cash Fund (LPCF) which receives transfers from the HTF only for the purposes of producing the license plates and the validation decals that are affixed to each plate. The table below provides expenditure estimates based on the number of plate sets the DMV estimates will be issued.

(continued on next page)

Down Syndrome Awareness Plates	
Expenditure Estimate	FY22
Estimate to Manufacture a Single Plate	\$3.60
Estimated Plate Sets to Manufacture	500
Total Expenditures	\$3,600

The fiscal note DMV provided (see attached) mirrors the estimated revenue/expenditure amounts outlined above.

*Without an increase in the Highway Cash Fund appropriation to the Roads Operations Cash Fund, any increase in revenue to the Highway Cash Fund would be offset by a reduction in the variable gas tax. However, the small estimated impact outlined above is not anticipated to change the variable gas tax as the Highway Cash Fund appropriation to the Roads Operations Cash fund is over \$450 million each fiscal year of the current biennium.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 903	AM:	AGENCY/POLT. SUB: Nebraska Department of Motor Vehicles
REVIEWED BY: Lucas Martin	DATE: 1/23/2020	PHONE: (402) 471-4181
COMMENTS: Given the Department of Motor Vehicles' assumptions, there is no basis to disagree with the estimated fiscal impact.		

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2020

LB⁽¹⁾ 903

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Motor Vehicles

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 14, 2020 Phone: ⁽⁵⁾ 402-471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	3,600	12,000
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	8,000
TOTAL FUNDS	<u>_____</u>	<u>_____</u>	<u>3,600</u>	<u>20,000</u>

Explanation of Estimate:

The effective date of this legislation is January 1, 2022.

Program 070

There will be 80 hours of Programming and Testing for this new plate that can be absorbed within existing DMV appropriation.

Past history has shown that new plates sell approximately 1000 sets each year (500 sets with a starting date of January 1st). Selling 500 sets of this plate at \$40 per set will generate \$20,000 of revenue, based on the language of the bill \$12,000 will go to DMV and \$8,000 will go to the Highway Trust.

Program 090

500 sets (1000 plates) at \$3.60 per plate = \$3,600 for plate production costs

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	3,600
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	<u>3,600+</u>